

MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES

October 2003

Summary of Budget Reductions FY 2001 through FY 2004

General Revenue Funding Cuts
General revenue funding cut 23% since fiscal year 2001, from more than \$106 million to \$81.8 million.

Layoffs and Job Cuts
<ul style="list-style-type: none"><input type="checkbox"/> 207 positions cut (15.5% reduction from 2001)<input type="checkbox"/> 60% of positions were located in Jefferson City<input type="checkbox"/> Management positions cut by 16.9%, and non-management positions cut by 14.2%

Services Eliminated or Reduced
<ul style="list-style-type: none"><input type="checkbox"/> 33,000 women and men no longer have access to comprehensive health care<input type="checkbox"/> 50,000 fewer patients will be served at 11 community Health Centers in St. Louis, Potosi, Sedalia, St. Louis County, West Plains, Ava, Springfield, Sweet Springs, Columbia, Lexington, Marceline.<input type="checkbox"/> Unable to implement the nursing home diversion enhancement to keep seniors and disabled from entering nursing homes.<input type="checkbox"/> No longer issue marriage records

Efficiencies Implemented (Outsourcing)

DHSS began outsourcing services to achieve fiscal economy prior to fiscal year 2001. Examples of outsourced services include the WIC banking system, service coordination for children with special health care needs, HIV case-management services, a toll-free information line, and the Behavioral Risk Factor Surveillance System.

Organizational Restructuring

DHSS has decreased the number of Divisions, Centers and Offices. This action has allowed consolidation of functions and has further focused the department's organization on a functional basis.

Protection of Front-line Services

The department has made cuts in administrative areas, with the goal of protecting front-line services. Reductions were made by using the Internet and e-mail rather than printing and mailing, decreasing travel, and decreasing equipment and other purchases.

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Impact of Budget Reductions FY 2001 through FY 2004

General Revenue Funding Reductions

DHSS general revenue funding has been cut 23% over the past three fiscal years. The department is funded primarily by the federal government. FY 04 budget sources are: federal funds (70.42%), general revenue (18.11%) and other funds (11.47%).

GR Funding			
FY01	FY02	FY03	FY04
\$106,218,765	\$103,909,069	\$92,531,192	\$81,863,107

GR Appropriated Positions			
FY01	FY02	FY03	FY04
1002.62	975.02	941.14	855.75

(15.5% reduction from FY01)

*The department continually seeks new sources of federal funding. As a result of this, some employees whose positions were eliminated qualified for a position in a new grant and were able to retain employment.

DHSS Personnel Reductions

DHSS has eliminated 207 positions (from all funding sources) over the last three fiscal years. In addition, under the retirement incentive bill (SB 248) passed in 2003, DHSS has eliminated an additional 31.99 positions and \$989,000 that will be reflected as a cut in the FY 05 budget. These employees left the agency prior to September 1, 2003 and funds have been placed in withhold for FY 04.

Fewer staff are now available to respond to the public's request for birth and death records; to approve registration allowing physicians to prescribe narcotics; to complete investigations of abuse/neglect/exploitation of the elderly who live at home, resulting in unnecessary long-term care placements; and to provide technical assistance and consultation to the local public health agencies.

Positions Eliminated (from all funding sources)					
	FY 02	FY 03	FY 04	FY 05	Total
Cole County Domicile	29.75	47.97	50.95		125.32
Out-state Domicile	19.50	21.00	38.00		78.50
Total	49.25	68.97	88.95		207.17
Layoffs (of total)*	1.00	21.00			22.00
Management (of total)	8.50	12.50	5.50		26.50
Eliminated due to retirement incentive (not included in total)				31.99	31.99

DHSS Response to Reductions

The department has taken the following actions to meet the challenges of decreasing state resources, with the goal of continuing to provide the needed services to protect the health and safety of Missourians.

Departmental Reorganization: Decreased the number of Divisions from 7 to 3 and the number of Centers from 4 to 3. Combined the Offices of Strategic Planning and Professional Development and Training. These actions have allowed consolidation of functions that were duplicated across divisions and have further focused the department's organization on a functional basis.

Eliminated Mid-level Managers: Significant reductions in mid-level managers were made in the Director's Office (13 positions since 2002) and the Division of Environmental Health and Communicable Disease Prevention (10 positions withheld in 2003 and cut in 2004) to maintain funds for front line staff and funds that are contracted to local providers of service. From FY 01 to 04, management positions were reduced by 16.9%, and non-management positions were reduced by 14.2%.

Eliminated GR Funding for Contracts that are also Supported with Federal Funding: The department has eliminated GR funding for the purchase of vaccines for childhood immunization and for sexually transmitted disease services in the large metropolitan areas.

Sought alternative sources of funds to meet match requirements, where allowed by federal funding source, e.g., local effort, other departments.

Outsourced services to achieve fiscal economy including WIC banking system, service coordination for children with special health care

needs, HIV case-management services, and the Behavioral Risk Factor Surveillance System. We continue to evaluate other services for outsourcing, such as case management services for home and community based senior services.

Reports, documents and educational materials have been placed on the Internet, thus reducing mailing and printing costs. Minutes of meetings are sent via e-mail, also reducing mailing costs.

Videoconferencing is used for meetings to minimize travel costs and maximize staff time. The department has delayed equipment purchases.

Reduced out-of-state travel expenses by 54% from 2001. Restrictions were placed on out-of state travel, regardless of funding source in August of 2001, while allowing travel for those trips required by grants or for training needs.

All leased facilities that house DHSS staff are being assessed for consolidation with other nearby offices. Two large offices in the Poplar Bluff area were consolidated in July 2003, bringing 66 staff together in a single facility allowing better utilization of staff and resources.

Impact of Program or Service Elimination

Women's Health: Over \$5 million in funding for the Comprehensive Family Planning program was eliminated in FY04, resulting in the termination of the program. This program provided funding for 33,000 individuals who were low income, had no health insurance, or may not have access to any other health care services, with comprehensive physical and medical examinations, including screenings for breast and cervical cancer; sexually transmitted disease; anemia; high blood pressure; high blood sugar and cholesterol.

Consumer Information: The department has eliminated issuing marriage records, collecting hospital data and producing the hospital consumer guides. There is a four-week delay in processing adoption records.

Departmental Coordination: The department has eliminated all director's office staff (21.6 FTE/ \$518,365 PS and \$82,356 E&E) in the out-state offices. This has resulted in an absence of departmental coordination to respond to and represent departmental issues in these areas. Requests for information and assistance regarding broad departmental issues are now handled only from Jefferson City.

Impact of Service Reduction

Detection and Prevention of Communicable Disease: All general revenue funding (\$660,447) for sexually transmitted disease (STD) investigation was eliminated in FY04. Contracts with St. Louis City, St. Louis County, Kansas City and Springfield for STD disease investigation were reduced to reflect only the federal dollars remaining for STD investigation. This reduction will cause reduced follow-up of positive persons to assure treatment, reduced interviewing of positive persons to elicit contact tracings, and

reduced active surveillance. All these activities impact the spread of STDs. Therefore, STDs are expected to increase without these control measures in place.

This will negatively impact the health of the citizens of Missouri, especially young people ages 15-24, who experience the heaviest burden of most STDs (approximately 70% of gonorrhea and chlamydia cases). St. Louis City is already #1 in the nation for the rate of gonorrhea cases per 100,000 population and #3 for chlamydia. Kansas City's rates are close behind. Discontinuation of intervention activities could easily start an outbreak of STDs of epidemic proportions in Missouri.

Genetic Tertiary Centers: Funding for genetic tertiary centers was reduced from \$760,769 in FY03 to \$719,954 in FY04. During FY03, \$107,077 was withheld from this program. These centers provide genetic diagnostic and counseling services and offer programs to aid in the prevention and treatment of genetics disorders, and operate outreach clinics throughout the state. This reduction caused the University of Missouri-Columbia to reduce the number of clinics from 23 to 14, to close the Poplar Bluff Clinic, and to reduce staffing of clinics and clinic frequency.

Primary Resource Initiative for Missouri (PRIMO): More than \$1,027,000 in funding for PRIMO was eliminated for FY04. PRIMO provides incentives to recruit health professions students from rural and underserved areas and provides financial aid, clinical training and other support services in return for a service obligation in those Missouri communities. PRIMO also develops community-based health care delivery systems to provide access points for primary medical, dental and mental health care, and provides placement/recruitment services for PRIMO scholars, community clinics and other interested communities and health professionals.

Due to this reduction, approximately 50,000 fewer patients will be served at 11 community Health Centers in St. Louis, Potosi, Sedalia, St. Louis County, West Plains, Ava, Springfield, Sweet Springs, Columbia, Lexington, Marceline.

- 10 fewer students will be added to the dental loan program at the University of Missouri School of Dentistry.
- The number of PRIMO-supported health professions students from rural and underserved urban areas will be reduced.
- A Pre-Admission option for PRIMO Scholars (UMC Med School, UMC Sinclair School of Nursing, and KCOM) is eliminated.
- Area Health Education Committees (AHEC) will reduce the number of high school students who participate in the PRIMO ACES program, thereby reducing the number of students in the pipeline for pre-admission, nursing school, medical school and dental school programs.

Support for Local Public Health

Infrastructure: A 6% reduction, or \$541,595, will be shared among the 114 county health departments. This reduction will decrease critical services provided at the county level to protect the health and welfare of Missouri citizens, such as disease detection and follow-up; restaurant, lodging, and child care inspections; training for regulated businesses; and health education. County health department staff have had hours reduced or have been laid off, and one local agency reported cutting salaries and benefits.

Services to Missouri Seniors: A reduction of \$330,514 and 8 positions in the Division of Senior Services will correlate to a corresponding amount of federal funds that will not be earned. This will result in the division's inability to create a total of approximately 16 positions. The reduction will prevent the division from implementing the nursing

home diversion enhancement to the Missouri Care Options program.

Elimination of \$172,780 for Transportation grants will result in reduced transportation services for approximately 1,015 clients.

Reduction of \$100,000 will reduce Ombudsman Program activities, including recruitment and training of volunteers, resident complaint resolution, and/or the total number of facilities or volunteers. Previous funding allowed services to 23,000 persons annually within long-term care facilities.

- To date, the department has made reductions chiefly in administrative functions and positions so services could continue. DHSS administrative costs that operate and support the department are 2.6% of the entire budget. This compares to 13% reported as an average of United Way agencies. The majority of the administrative activity benefits local communities through processing of 4,695 contracts and making 52,640 payments to contractors and providers annually.
- There is no place to cut further in these administrative areas and still maintain the day-to-day operations of our agency. Additional reductions to our budget will mean reductions in direct services to Missourians.
- In addition, if further reductions are made in general revenue funding, the department is at risk for losing federal funds because we will not be able to meet match or maintenance of effort requirements.